

MINUTES
BEECH MOUNTAIN TOWN COUNCIL
Regular Meeting – December 11, 2012

I. CALL TO ORDER

Mayor Owen called the regular meeting of the Beech Mountain Town Council to order at 3:04 p.m., Tuesday December 11, 2012 in the Town Hall Council Chambers. Other Council Members present were Paul Piquet, Rick Miller and Cindy Keller. Council Member Alan Holcombe was not present. Town Attorney Stacy C. Eggers, IV. was present. Staff members present were Town Manager Randy Feierabend; Town Clerk Jennifer Broderick, Town Planner James Scott, Fire Chief Robert Pudney, Public Utilities Director Robert Heaton, Public Works Director Riley Hatch and Town Engineer Marion Rothrock.

II. Invocation – John Troxler presented the invocation. Mayor Owen took a moment, on behalf of the Town, to recognize John Troxler for his great many services to the community and to wish him and his family well in their future pursuits. Mr. Troxler stated that this is a wonderful place to live and a great community and that his family would be back to visit.

III. Pledge of Allegiance – All present joined in the Pledge of Allegiance to the flag.

IV. Adoption of Agenda – Mayor Owen stated that the agenda would stand as presented.

V. Approval of the Minutes

a. November 13, 2012 Regular Meeting – Vice Mayor Piquet motioned to approve the November 13, 2012 Regular Meeting Minutes. Councilman Miller seconded the motion and the vote passed unanimously.

b. November 13, 2012 Closed Session – Mayor Owen stated that these minutes would be tabled until the next meeting.

c. November 28, 2012 Special Meeting – Councilman Miller motioned to approve the November 28, 2012 Special Meeting Minutes. Councilwoman Keller seconded the motion and the vote passed unanimously.

VI. Public Hearing

a. Public Hearing to Rename Water Tank Road to Bark Park Road – Mayor Owen stated that this change in road name had been suggested because the community built Bark Park was located on this road. Vice Mayor Piquet motioned to open the public hearing. Councilman Miller seconded the motion and the vote passed unanimously. Hearing no public comment Councilman Holcombe motioned to close the public hearing. Vice Mayor Piquet seconded the motion and the vote passed unanimously.

VII. Public Comment

Leslie Hayhurst of 225 Upper Grouse Ridge Road stated that she was having issues with the Town water at her property located on Fireweed Lane. Mayor Owen stated that he would be happy to look into Mrs. Hayhurst's situation and get back with her.

VIII. New Business

a. Audit Presentation – Mayor Owen extended the floor to Misty Watson of Bryce Holder and Associates. Mrs. Watson thanked staff for the work they had done in preparing the records for review and provided Council with a general overview of the Town's Financial Statements that had been prepared stating that the property tax collection rate is at 98.25% and that the vehicle collection rate is at 88%. Mayor Owen stated that Council has just received the Town's Financial Statements to review. Mayor Owen asked if Bryce Holder and Associates would be willing to come back and answer questions if Council should have any. Mrs. Watson stated yes and that Council was welcome to e-mail or call. Councilwoman Keller asked if this information would be placed on the Town's website. Manager Feierabend stated that this would be placed online with Town's previous Financial Statements. Councilwoman Keller asked if the Town would be receiving any monies from the collection of the personal property taxes. Manager Feierabend stated that staff would get back to her with an answer.

b. Resolution to Adopt Regional Hazard Mitigation Plan – Mayor Owen welcomed Steve Sudderth, Fire Marshall and Emergency Management Coordinator for Watauga County. Mr. Sudderth stated that the resolution before Council is a continuation of an ongoing process. Mr. Sudderth stated that the Federal Emergency Management Agency requires this plan to be updated every 5 years. Mr. Sudderth stated that the Regional Hazard Mitigation Plan is comprised of four counties; Alleghany, Ashe, Watauga and Wilkes and that this plan will carry through 2017. Mr. Sudderth recommended that Council take positive action on the resolution before them. Vice Mayor Piquet motioned to approve the resolution. Councilman Miller seconded the motion and the vote passed unanimously. Resolution No. 2012-11 is attached as Exhibit A and incorporated by reference as if fully set out within these minutes.

c. Utility Project Financing Timeline – Mayor Owen presented the floor to Ad Hoc Water Committee member Urs Gsteiger. Mr. Gsteiger thanked fellow Ad Hoc Water Committee members Jack Lubin, Craig Hunter and John Merritt for their work. Mr. Gsteiger also thanked Town Manager Randy Feierabend, Finance Officer Nancy Johnson and Public Utilities Director Robert Heaton for their efforts. Mr. Gsteiger stated that the Ad Hoc Water Committee and staff have met with the United States Department of Agriculture, the Local Government Commission, the North Carolina School of Government and Engineers and now have a plan in hand for Council to consider moving forward on. Mr. Gsteiger stated that the Ad Hoc Water Committee is seeking Council's approval of this plan so that staff can move forward with implanting some of these ideas. Mr. Gsteiger stated that the Town is looking at a total of 3 projects to fund out of general revenues and utility funds through using either a State Revolving Fund Loan or United States Department of Agriculture Loan or Bonds. The 3 projects are the New Water Treatment Plant, the Spruce Hollow to Parkway Tank Pump Station and Transmission Line and the Watauga River Intake and Transmission Line. Mr. Gsteiger continued providing Council with the framework for water upgrades. Mr. Gsteiger stated that because of the lengthy phases that the Watauga River Intake and Transmission Line Project will take the Ad Hoc Water Committee is recommending that Council consider

designing and funding the New Water Treatment Plant and the Spruce Hollow to Parkway Tank Pump Station and Transmission Line as one project. Mr. Gsteiger recommended that staff be instructed to move forward with applying for a State Revolving Fund Loan and a United States Department of Agriculture Loan in the amount of \$6,000,000 once the designs for the 2 projects are sufficient for the application process. The designs for the application process are expected to be ready no later than June 2013. Mr. Gsteiger stated that a 20 year State Revolving Fund loan at the current 2.01% interest would require \$364,000 in annual payments. This interest rate is good through March 2013. This would be funded by Water and Sewer Revenues without a tax increase by using funds coming from loans being paid off and from other savings in the budget. Mr. Gsteiger stated that the current budget includes about \$300,000 in depreciation. In the past this money has been used to increase the Water and Sewer Reserves. The concept, within this framework, requires that this budget line item be applied annually to these projects. The Local Government Commission will review the Towns plan based on a cash flow analysis and not on budget. Mr. Gsteiger stated that by approving staff to move forward the Spruce Hollow Project could be started and completed in 2014. The new Water Treatment Plant Project could potentially start early 2014 with an estimated completion date of 2015 with project construction estimated to take 18 months. As for the construction phase of the Watauga River Project this could begin as early as March 2016 if all of the permitting has been taken care of and completed in 2017. Mr. Gsteiger stated that the proposed funding for this would come partially from Town Reserves and partially from a second loan based on rates and a full analysis at that time. Mr. Gsteiger stated that the remaining projects in the Rothrock Water and Sewer Study would be completed through \$200,000 annual expenditures from the General Fund. Mr. Gsteiger stated that the Buckeye Inflow and Infiltration Project have been started and are scheduled to be completed in 2013 using Water and Sewer General Fund Reserves. Mr. Gsteiger informed Council that there are some known unknowns which include the effect of Watauga County's reappraisal on tax collections, interest rates at the time of the State Revolving Fund Loan and/or United States Department of Agriculture Loan application and construction cost increases. Mr. Gsteiger stated that in formulating this framework for water upgrades it was assumed that the Watauga County reappraisal will have no significant impact on collections, interest rates will not increase and construction costs will increase by 2% per year from baseline estimates. Mr. Gsteiger requested that Council consider asking staff to move forward. Councilwoman Keller asked if Council had any choice. Mr. Gsteiger stated that between the work of Town Engineer Marion Rothrock and Public Utilities Director Robert Heaton the water plants life has been extended 5 to 7 years. Mr. Gsteiger stated that the Towns current Water Plant cannot be fixed or added to which is why the Town has build a new one. Manager Feierabend stated that the work that was done on the Towns Water Plant to extend its useful life was completed 2 years ago. Councilwoman Keller asked if there had been any change in the Towns water loss. Staff confirmed that the first numbers that have come back for leaks look fairly promising. Councilwoman Keller asked Mr. Gsteiger if the \$200,000 that was coming out of the General Fund was going to be used towards lowering the amount of water loss. Mr. Gsteiger answered yes. Mayor Owen thanked Mr. Gsteiger for his presentation and the Ad Hoc Water Committee for their hard work. Mayor Owen stated that Mr. Gsteiger had requested action by Council. Mayor Owen asked if staff supported the framework for water upgrades before Council that Mr. Gsteiger and his committee was proposing. Manager Feierabend stated that staff supported this proposal. Mayor Owen asked if any Council member was not on board with this proposed plan. Hearing nothing from

Council Mayor Owen instructed staff to move forward with the framework for water upgrades and to notify Council should they need any additional action to move forward.

d. Budget Transfer for Water and Sewer – Public Utilities Director Robert Heaton stated that the Parkway Pump Station took a fairly large hit during a recent storm and that Mountain Electric had some phasing problems. As a result a pump, motor and panels were destroyed. Mr. Heaton informed Council that because of their age these parts cannot be replaced and that new equipment is being purchased. Mr. Heaton stated that the new equipment that is being purchased will be better equipped to handle the variation of power from Mountain Electric. Councilman Miller inquired if the Town could file a claim through their insurance company. Manager Feierabend stated that because of the age of the equipment this damage cannot be substantiated enough for the insurance company to accept a claim. Councilman Miller motioned to approve the budget amendment. Vice Mayor Piquet seconded the motion and the vote passed unanimously. Councilwoman Keller asked who would install the new control panel. Mr. Heaton stated that Gopher Utilities would install the new panel and that they were surge protection experts.

e. Request to Schedule Public Hearing for Short Term Rentals – Town Planner James Scott stated that most people agree that Beech Mountain is a vacation resort. Mr. Scott explained that an important part of how a vacation community works is that there are a lot of single family dwelling rentals that occur. Through this proposed ordinance the Planning Board is working to ensure that these types of rentals are permissible. Vice Mayor Piquet motioned to schedule the public hearing for Councils next regularly scheduled meeting. Councilman Miller seconded the motion and the vote passed unanimously.

f. Request to Schedule Public Hearing for Open House Signs – Town Planner James Scott stated that birthday parties, weddings and other similar types of signs are not allowed under the Towns ordinances. These types of signs typically go up over the weekend and are gone by Monday morning. As a result the Planning Board has asked what a more reasonable direction to go in would be and has determined through this proposed ordinance that these types of signs should be permitted in the community. Vice Mayor Piquet motioned to schedule the public hearing for Councils next regularly scheduled meeting. Councilman Miller seconded the motion and the vote passed unanimously.

g. Planning Board Appointment – Mayor Owen stated that there is one Planning Board member whose term is up and that he would like to be reappointed. Vice Mayor Piquet motioned to reappoint Andy Porter to the Planning Board. Attorney Eggers stated that Councilwoman Keller needed to recuse herself from the vote. Councilman Miller seconded the motion. Councilwoman Keller recused herself from the vote and the vote passed unanimously amongst the rest of Council.

h. Board of Adjustment Appointment – Mayor Owen asked Council who they wished to appoint to the Board of Adjustment and the Board of Adjustment Alternate positions. After some discussion Vice Mayor Piquet motioned to reappoint Bill Hagna to the Board of Adjustment and to move the 1st Alternate to the Board of Adjustment, Mike Chase, up to the Board of Adjustment with Wendel Sauer being appointed to the 2nd Alternate position to the Board of Adjustment. Councilwoman seconded the motion and the vote passed unanimously. This left the 3rd Alternate position to the Board of Adjustment vacant.

i. Tourism Development Authority Appointments – Mayor Owen stated that there are 3 members whose terms are expiring. Of the 3 members 2 wish to be reappointed and 1 did not. Councilwoman Keller stated that she would like to see someone from the Beech Mountain Resort on this Board. Councilman Miller motioned to reappoint Calder Smoot and Brian Barnes to the Tourism Development Authority. Vice Mayor Piquet seconded the motion and the vote passed unanimously. Council elected to hold off on filling one of the vacancies.

j. Recreation Committee Appointments – Mayor Owen stated that there are 3 members whose terms were expiring. Vice Mayor Piquet motioned to reappoint Gil Adams and Nancy Owen and to appoint Tim Fox. Councilman Miller seconded the motion. Mayor Owen recused himself from the vote and the vote passed unanimously amongst the rest of Council.

k. Tree Board Appointments – Mayor Owen stated that there are 2 members whose terms were expiring. Councilman Miller motioned to reappoint Cindy Keller and Tony Hunter to the Tree Board. Vice Mayor Piquet seconded the motion and the vote passed unanimously.

IX. Old Business

a. Vote to Rename Water Tank Road to Bark Park Way – Vice Mayor Piquet motioned to rename the road Water Tank Road to Bark Park Way. Councilman Miller seconded the motion and the vote passed unanimously. Mayor Owen stated that the County will need to be notified of this change.

X. Town Manager and Staff Reports

Lift Station – Manager Feierabend distributed to Council a photo of the lift station site which had been taken by Public Utilities Director Robert Heaton today. The photo illustrated that the concrete slab was in place. Manager Feierabend stated that the pumps are on backorder and are not expected to arrive until January. Manager Feierabend stated that it would be up to Town Engineer Marion Rothrock to make a recommendation to Council if they should move forward with liquidated damages.

Storm Damage Insurance Claim – Manager Feierabend stated that there was documented damage in the Public Works building as well as to Buckeye Recreation Center and that staff is going to be making an insurance claim.

Condemnation of Home at 702 Pine Ridge Road – Manager Feierabend informed Council that this home was condemned by the Town and then taken over by the bank at the very end of the condemnation process. As a result in this change in ownership the condemnation process was restarted again by the Town. Now, on the 89th day in the condemnation process, the bank decided that they wanted to start working on the home. Manager Feierabend stated that Building Inspector John Merritt and Attorney Eggers have worked up a contractual agreement for the repairs to be taken care of and that they are being cited a \$100 per day penalty as a result.

Mayor Owen stated that Council would take a short break at 4:14 p.m.

XI. Closed Session – Pursuant to NC GS 143-318.11(a)(3) Attorney Client Matters; NC GS 143.318.11(a)(5) Potential Acquisition of Real Property – Upon motion by Councilman Miller at 4:26 p.m., seconded by Vice Mayor Piquet the Council voted unanimously to go into closed session pursuant to NC GS 143-318.11(a)(3) for Attorney Client Matters; NC GS 143.318.11(a)(5) Potential Acquisition of Real Property. Councilman Miller motioned to exit closed session at 4:57 p.m., which was seconded by Vice Mayor Piquet. The motion passed unanimously.

XII. Other Business

Selection of Engineering Firm Based Upon Interviews with West Consultants, PLLC Benjamin Thomas, P.E. and Brown Consultants, PA Jeffrey T. Brown, P.E. – Mayor Owen opened the floor for Council discussion of the two engineering firms that had been interviewed at Councils Special Call Meeting which had been held on November 28, 2012. Mayor Owen stated that as discussed by Ad Hoc Water Committee Member, Urs Gsteiger, Council has agreed to move forward with the proposed utility projects. After much discussion Vice Mayor Piquet motioned for West Consultants to be named the engineering firm for both the Water Tank Project and the Watauga River Intake Project. Councilman Miller seconded the motion. Councilman Miller asked if staff had any concerns with Council going this route. Staff stated no. Mayor Owen called the question and the motion passed unanimously.

XIII. Adjourn – Vice Mayor Piquet motioned to adjourn the meeting at 5:25 p.m., which was seconded by Councilwoman Keller. The motion passed unanimously. The meeting was adjourned at 5:25p.m.

Minutes approved by Town Council on January 8, 2013.

Richard H. Owen, Mayor

ATTEST:

Jennifer Broderick, Town Clerk

**ATTACHMENT(S)
TO
MINUTES**

EXHIBIT A – Resolution No. 2012-11: Resolution to Adopt Regional Hazard Mitigation Plan

RESOLUTION NO. 2012-11
TOWN OF BEECH MOUNTAIN
ADOPTION OF WATAUGA COUNTY'S
REGIONAL
HAZARD MITIGATION PLAN

WHEREAS, the citizens and property within Watauga County are subject to the effects of natural hazards that pose threats to lives and cause damage to property, and with the knowledge and experience that certain areas of the county are particularly vulnerable to flood; high winds, hail, snow, ice, etc.; and

WHEREAS, the County desires to seek ways to mitigate the impact of identified hazard risks; and

WHEREAS, the county's of Ashe, Alleghany, Watauga and Wilkes have cooperated to form a multi-jurisdictional Regional Hazard Mitigation Plan; and

WHEREAS, the Legislature of the State of North Carolina has in Part 6, Article 21 of Chapter 143; Parts 3, 5, and 8 of Article 19 of Chapter 160A; and Article 8 of Chapter 160A of the North Carolina General Statutes, delegated to local governmental units the responsibility to adopt regulations designed to promote the public health, safety, and general welfare of its citizenry; and

WHEREAS, the Legislature of the State of North Carolina has in Section 1 Part 166A of the North Carolina General Statutes (adopted in Session Law 2001-214 --- Senate Bill 300 effective July 1, 2001), states therein in Item (a) (2) "For a state of disaster proclaimed pursuant to G.S. 166A-6(a) after August 1, 2002, the eligible entity shall have a hazard mitigation plan approved pursuant to the Stafford Act"; and

WHEREAS, Section 322 of the Federal Disaster Mitigation Act of 2000 states that local governments must develop an All-Hazards Mitigation Plan in order to be eligible to receive future Hazard Mitigation Grant Program Funds and other disaster-related assistance funding and that said Plan must be updated and adopted within a five year cycle; and

WHEREAS, the Regional Hazard Mitigation Committee has performed a comprehensive review and evaluation of each participating county's previously approved Hazard Mitigation Plan and has updated and combined the said plans as required under regulations at 44 CFR Part 201 and according to guidance issued by the Federal Emergency Management Agency and the North Carolina Division of Emergency Management.

WHEREAS, it is the intent of the Town Council of Beech Mountain to fulfill this obligation in order that the region will be eligible for federal and state assistance in the event that a state of disaster is declared for a hazard event affecting the region;

NOW THEREFORE, be it resolved that the Town Council of Beech Mountain hereby:

1. Adopts the Regional Hazard Mitigation Plan; and
2. Vests the Town Planner for Beech Mountain with the responsibility, authority, and the means to:
 - (a) Inform all concerned parties of this action.
 - (b) Cooperate with Federal, State and local agencies and private firms which undertake to study, survey, map and identify floodplain areas, and cooperate with neighboring communities with respect to management of adjoining floodplain areas in order to prevent exacerbation of existing hazard impacts.
3. Appoints the Emergency Management Coordinator of Watauga County to assure that the Regional Hazard Mitigation Plan is reviewed annually and every five years as specified in the Plan to assure that the Plan is in compliance with all State and Federal regulations and that any needed revisions or amendments to the Plan are developed and presented to the Board of Commissioners of Watauga County for consideration.
4. Agrees to take such other official action as may be reasonably necessary to carry out the objectives of the Hazard Mitigation Plan.

Adopted on this day, December 11, 2012

By: _____
Richard H. Owen, Mayor

Certified by: _____
Jennifer Broderick, Town Clerk

SEAL

Date: _____